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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000011

SIPDIS

STATE FOR EAP, INL, INR/B; DEA FOR OF, OFF;  
USPACOM FOR FPA

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TAGS: [SNAR](#) [KCRM](#) [PINR](#) [EFIN](#) [BM](#)

SUBJECT: BURMA: TALKING DRUGS WITH THE NEW HOME MINISTER

REF: A. 04 SECSTATE 246838

[B.](#) 04 RANGOON 1647

[C.](#) 04 RANGOON 1437

[D.](#) 04 RANGOON 631 AND PREVIOUS (NOTAL)

Classified By: COM Carmen Martinez for Reasons 1.4 (B,D)

[11.](#) (C) Summary: The new Home Affairs Minister, Maj Gen Maung Oo, Burma's top counterdrug official, took our recent drug certification demarche in stride, blaming ousted Prime Minister Khin Nyunt for not sharing counterdrug intelligence.

He said the GOB now must "start from zero" in combating money laundering and other drug-related crimes. The Minister and his senior aides indicated that the SPDC has approved the 2005 U.S.-Burma joint opium survey, but the designated lead agency, Military Affairs Security (MAS - the successor organization to the defunct Office of the Chief of Military Intelligence - OCMI), is unproven at delicate relations with the former insurgents who rule poppy growing territory. The Minister, a former military commander in Rakhine State, struck us as confident and fairly well-informed. End Summary.

Certification Demarche Delivered

[12.](#) (SBU) On December 29 COM and P/E chief met with the GOB's new Minister of Home Affairs, Major General Maung Oo, to deliver reftel demarche on the USG narcotics certification process. The Minister was joined by Police Brig Gen Khin Yee, Director General of the Burmese Police Force, and other senior ministry and police officials. We provided the Minister a non-paper based on Department's guidance for Burma (ref A) as well as the general certification information. (Note: in line with USG Burma policy that prohibits direct assistance to the GOB, we excised the language in the Burmese specific guidance (ref A) that read: "The USG will seek to be responsive to your government's requests for drug control assistance." End note.)

Get the Big Fish

[13.](#) (U) The COM emphasized that the GOB had to take action against major drug traffickers, citing druglord Wei Hseuh Kang as an example, in order to demonstrate a serious commitment to counterdrug efforts. The COM suggested that arrests of complicit senior officials and convictions under money laundering provisions of the law would be important steps. She noted that the GOB has implicated former Prime Minister (and former military intelligence chief) Khin Nyunt for corrupt activities in notorious drug trafficking areas, but observed that there have been no convictions of any senior officials since his October ouster. Minister Maung Oo claimed that the GOB was also looking for Wei Hseuh Kang and had no idea where he is located. "Please give us any information that you have on him," he added.

Pointing Fingers at the Ousted Guy

[14.](#) (SBU) Minister Maung Oo said that the Ministry of Home Affairs was handling an investigation of the ousted Prime Minister. "We have not yet found anything regarding Khin Nyunt's involvement in narcotics," he said, "but please provide us with any evidence if you have it." Contrary to SPDC declarations that there would be no policy changes following Khin Nyunt's ouster, Maung Oo said, "you will see an increased focus on combating corruption." Maung Oo went on to say "Whether you believe it or not this ministry received nothing from the former military intelligence on drug-related crimes...now we have to start from zero."

[15.](#) (U) Police Colonel Sit Aye, head of the GOB's new Financial Investigation Unit (FIU), said that the FIU had received over 3,000 financial transaction reports and 20 property transaction reports since the implementation of new money laundering regulations (ref D). The FIU, he said, was investigating four of the transactions as suspicious, as well continuing an investigation of two Burmese banks named by the U.S. Treasury Department as probable money-laundering institutions.

Green Light for 2005 Joint Opium Survey?

[16.](#) (SBU) The COM outlined the importance of continuing the joint U.S.- Burma opium surveys and urged the minister's

support in obtaining GOB approval for the next survey, tentatively scheduled for February 2005. Minister Maung Oo's immediate response was that "all bilateral issues must now be coordinated through the Ministry of Foreign Affairs." However, when we noted that the joint opium survey involved considerable logistical coordination and pressed for an operational point of contact (a role previously played by OCMI), Police Brig Gen Khin Yee replied, "in fact, the authorities have already been briefed and they have approved the joint survey, including the use of (Burmese Army) helicopters." He added that MAS (as the successor to OCMI), will coordinate the 2005 survey and urged contact with the new chief, Rangoon Division Commander Maj Gen Myint Swe. Minister Maung Oo nodded in agreement.

Not Our Problem

17. (SBU) We also raised the issue of the United Wa State Army's (UWSA) poppy-free deadline of June 2005 and inquired what the GOB planned to do if the Wa failed to meet the deadline. Minister Maung Oo, who spent three years posted in the northern Shan State region, said "the deadline is a Wa resolution, not a GOB one, and if they don't keep their word, it's their problem." He noted that the GOB's own poppy-free deadline is 2014, "and the GOB will do its best to comply, with or without international assistance...we will keep our word."

Comment: Notorious, but Connected

18. (C) The apparent go ahead for the 2005 joint opium survey is a positive development, although it is uncertain if the new MAS apparatus is capable of the undertaking. The survey is a political and logistical challenge, requiring delicate negotiations with former insurgent groups in Shan State.

19. (C) This was our first encounter with Maj Gen Maung Oo, the former military commander of the Western Command in Rakhine State who replaced Khin Nyunt confidant Col Tin Hlaing as Home Affairs Minister in early November (ref C). Maung Oo, who enjoyed a reputation for brutality when he was in his former post, struck us as confident and fairly well-informed. While his appointment has been perceived as a turn for the worse by UN agencies and NGOs, he demonstrated the ability to speak authoritatively on relevant issues (ref B), a welcome departure from many cabinet ministers who demur or defer to senior SPDC "decision makers" when discussing the most mundane of topics and decisions. End Comment.

MARTINEZ